

Message Text

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ACTION EUR-25

INFO OCT-01 IO-14 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-11

L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03 SS-20

USIA-15 AF-10 ARA-16 EA-11 NEA-14 ACDA-19 SCI-06 EB-12

AID-05 OIC-04 DRC-01 /213 W
----- 130684

R 041216Z OCT 74

FM AMEMBASSY VIENNA

TO SECSTATE WASHDC 3881

INFO USMISSION GENEVA

USMISSION USUN NY

C O N F I D E N T I A L VIENNA 8504

E.O. 11652: GDS

TAGS: PFOR, UNGA, IAEA, UN, AU, UNIDO

SUBJECT: EMBASSY VIEWS ON AUSTRIAN PROPOSAL RE DESIGNATION OF
VIENNA AS THIRD UN CITY

REF: A. STATE 215628

B. VIENNA 8091

C. VIENNA 8092

1. SUMMARY: GOA'S ATTEMPT TO INCREASE ITS SECURITY AND BUTTRESS ITS NEUTRALITY BY ATTRACTING INTERNATIONAL ORGANIZATIONS AND CONFERENCES TO VIENNA HAS FULL SUPPORT OF GOVERNMENT AND ALL THREE POLITICAL PARTIES REPRESENTED IN NATIONAL ASSEMBLY. AUSTRIAN EFFORT ACCORDS WITH US INTERESTS VIS-A-VIS AUSTRIA. EMBASSY RECOMMENDS SUPPORT OF GOA'S INITIATIVE PROVIDED AUSTRIAN AGREEMENT ASSURED ON THREE CONDITIONS, (PARA 5 VELOW), INCLUDING RELIEF FROM VALUE ADDED TAX. END SUMMARY

2. FOLLOWING ARE EMBASSY VIENNA'S VIEWS AS REQUESTED REFTEL. AUSTRIA HAS SOUGHT IN RECENT YEARS TO INCREASE ITS SENSE OF SECURITY AND BUTTRESS ITS NEUTRALITY BY TAKING A MUCH MORE
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ACTIVE ROLE IN UN AFFAIRS. THEIRPOLICY, WHICH HAS FULL

SUPPORT OF ALL THREE POLITICAL PARTIES REPRESENTED IN NATIONAL ASSEMBLY, HAS SEVERAL MAJOR ASPECTS. ONE CONCERNS SUPPORT OF UN PEACEKEEPING ACTIVITIES FOR WHICH AUSTRIA HAS MADE AVAILABLE MILITARY FORCES FOR USE UNDER UN AEGIS ON CYPRUS AND IN MIDDLE EAST. ANOTHER ASPECT HAS BEEN EFFORT TO UPGRADE AUSTRIAN PRESENCE IN UN, E.G. SUCCESSFUL CAMPAIGN ON BEHALF OF ELECTION OF FORMER AUSTRIAN FOREIGN MINISTER WALDHEIM TO UN SECRETARY GENERALSHIP AND OF AUSTRIAN MEMBERSHIP ON SECURITY COUNCIL FOR PERIOD 1973-74. THIRD ASPECT OF THIS POLICY IS GOA ENDEAVOR TO ATTRACT INTERNATIONAL ORGANIZATIONS OR CONFERENCES TO VIENNA. LOCATION OF IAEA AND UNIDO IN VIENNA AND DECISIONS TO HOLD SALT I AND CURRENT MBFR TALKS IN AUSTRIAN CAPITAL TESTIFY TO PARTIAL SUCCESS OF LATTER EFFORT.

3. IN ORDER BE IN BETTER POSITION TO ATTRACT INTERNATIONAL ORGANIZATIONS AND CONFERENCES TO VIENNA, GOA DECIDED SEVERAL YEARS AGO TO BUILD ON NORTH BANK OF DANUBE WHAT TERMED LOCALLY AS VIENNA'S UN CITY. PROJECT, WHICH BEING ENERGETICALLY PUSHED BY SOCIALIST GOVERNMENT AND FOR WHICH EQUIVALENT OF NEARLY ONE BILLION US DOLLARS WILL HAVE BEEN SPENT BY COMPLETION, WILL PROVIDE FULL PANOPLY OF MOST UP-TO-DATE OFFICE ACCOMMODATIONS AND SERVICES. IT SHOULD ALSO BE NOTED THAT CHANCELLOR KREISKY ANNOUNCED IN 1972 THAT CONFERENCE CENTER OF UN CITY WOULD BE NAMED IN MEMORY OF GEORGE MARSHALL, AS EXPRESSION OF GRATITUDE FOR AMERICAN AID AFTER WORLD WAR II.

4. GENERAL US POLICY HAS BEEN ONE OF SUPPORT IN PRINCIPLE FOR GOA EFFORT TO UPGRADE IMPORTANCE OF VIENNA AS INTERNATIONAL CENTER. WE HAVE VIEWED MORE ACTIVE AUSTRIAN ROLE IN UN AS BENEFICIAL TO US INTERESTS AND SHARE AUSTRIAN UNARTICULATED VIEWPOINT THAT INCREASED UN ACTIVITY HAS ENHANCED AUSTRIA'S SENSE OF SECURITY VIS-A-VIS POSSIBLE COMMUNIST THREAT FROM EAST. WE OURSELVES HAVE TAKEN FULL ADVANTAGE OF AUSTRIA'S KEY LOCATION IN CENTRAL EUROPE AND ITS PROXIMITY TO COMMUNIST COUNTRIES OF EASTERN EUROPE TO PROMOTE FULL SPECTRUM OF US REGIONAL INTERESTS VIS-A-VIS EASTERN EUROPE. WE HAVE, AS APPROPRIATE, SUPPORTED VARIOUS

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AUSTRIAN PROPOSALS TO LOCATE INTERNATIONAL CONFERENCES AND ORGANIZATIONS IN VIENNA, E.G. IAEA, UNIDO, SALT I, MBFR AND INTERNATIONAL INSTITUTE FOR APPLIED SYSTEMS ANALYSIS (IIASA).

5. CURRENT GOA EFFORT TO SOLICIT SUPPORT FOR HAVING VIENNA RECOGNIZED AS THIRD UN CITY IS THEREFORE LOGICAL DEVELOPMENT AND GIVEN NATURE OF AUSTRIAN OFFER

AS SET FORTH REFTEL A, EMBASSY FEELS IT WOULD BE IN ACCORD WITH USG INTERESTS TO EXTEND OUR SUPPORT IN PRINCIPLE. USG SUPPORT SHOULD, HOWEVER, BE BASED IN EMBASSY'S VIEW ON OBTAINING AUSTRIAN AGREEMENT TO FOLLOWING THREE CONDITIONS: (A) UNDERSTANDING THAT FUTURE DECISION ON WHERE TO LOCATE INTERNATIONAL CONFERENCES, INCLUDING POSSIBLE VIENNA SITE, BE BASED ON CONSIDERATION OF ALL FACTORS INVOLVED AND THAT GOA GIVE SYMPATHETIC CONSIDERATION TO USG VIEWS ON LOCATION OF CONFERENCES WHICH WE MAY CONSIDER TO BE OF SENSITIVE POLITICAL NATURE, (B) ASSURANCE FROM GOA THAT THEY HAVE CONCRETE PLANS TO UPGRADE PHYSICAL SUPPORT FACILITIES (E.G. AVAILABILITY OF SUITABLE HOTEL SPACE, ESPECIALLY DURING PEAK TOURIST SEASON, AVAILABILITY OF CAR RENTALS, AND TAXIS, MORE SUITABLE EATING FACILITIES, ETC.) TO HANDLE MAJOR CONFERENCES IN EFFICIENT AND SATISFACTORY MANNER AND (C) RESOLUTION OF PROTRACTED VALUE ADDED TAX (VAT) ISSUE TO SATISFACTION OF INTERNATIONAL ORGANIZATIONS ALREADY LOCATED IN VIENNA, NATIONAL MISSIONS ACCREDITED TO THOSE ORGANIZATIONS AND DIPLOMATIC MISSIONS ACCREDITED TO AUSTRIAN GOVERNMENT.

6. EMBASSY FEELS THAT TIMING IS NOW MOST PROPITIOUS FOR PRESSING GOA TO ACCEPT GENEROUS RESOLUTION OF VAT ISSUE SINCE IT REPRESENTS ONE ISSUE ON WHICH MOST DIPLOMATIC MISSIONS IN VIENNA HAVE STRONG FEELINGS AND ARE WILLING TO COOPERATE IN UNIFIED EFFORT. AS DEPARTMENT AWARE (REFTEL B), AMBASSADOR IS LEADING VIENNA DIPLOMATIC CORPS EFFORT ON VAT AND ANY TIE-IN WE CAN MAKE BETWEEN AUSTRIAN PROPOSAL ON VIENNA UN CITY RECOGNITION AND VAT ISSUE WOULD BE MOST HELPFUL (REFTEL C).

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7. RECOMMENDATION: ON BASIS ABOVE REASONING, EMBASSY RECOMMENDS USG SUPPORT GOA PROPOSAL, PROVIDED SATISFACTION ASSURED ON THREE CONSIDERATIONS CITED PARA 5 ABOVE.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TAX RATES, GOVERNMENT EXPENDITURES, TAX RELIEF, FOREIGN ASSISTANCE, OPENING OF OFFICES
Control Number: n/a
Copy: SINGLE
Draft Date: 04 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974VIENNA08504
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740281-0965
From: VIENNA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741070/aaaachry.tel
Line Count: 160
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: A. STATE 215628
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAR 2002 by martinml>; APPROVED <21 MAY 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EMBASSY VIEWS ON AUSTRIAN PROPOSAL RE DESIGNATION OF VIENNA AS THIRD UN CITY
TAGS: PFOR, EAID, AU, US, UNGA, IAEA, UN, UNIDO
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005